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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

FIFTH COUNTRY PROGRAMME FOR THE UNITED REPUBLIC OF TANZANIA

Programme period	Resources	$
January 1993-December 1996	Net IPF	80 147 000
	Estimated cost-sharing	1 000 000
Total		81 147 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Covering 954,000 square kilometres, for the most part in the Central African plateau and having a population of some 27 million, the United Republic of Tanzania, which includes the islands of Pemba and Zanzibar, has a highly varied topography and climate and abundant natural resources, which offer ample opportunities for food production and the development of local industry and exports.

2. Since the mid-1960s its economic and social history has been influenced mainly by three major policy instruments including: the Arusha Declaration of 1967, the Basic Industrial Strategy of 1976 and the Economic Recovery Programme of 1986, which was expanded by the Economic and Social Action Programme of 1989. The implementation of these policies produced three distinct policy regimes, which were characterized by markedly different economic performance. External factors, such as drought and fluctuating oil and coffee prices, also affected the country's economy and social situation.

3. The Arusha Declaration called for the establishment of a socialist society, with greater emphasis on rural development, self-reliance in development efforts and the promotion of universal education and health-care systems. In line with the consolidation of State control over major aspects of the economy, GDP grew rapidly (by almost 5 per cent a year) from 1966 to 1973, and gross investment rose to 21 per cent of GDP. These aggregates concealed several emerging structural weaknesses, however, notably a diminishing productivity of investment, declining export volumes, parastatal inefficiencies and an unsustainable public expenditure programme. Over time, these weaknesses had deleterious consequences for the country, especially in the 1974/1975 biennium, when the first oil shock, combined with two years of drought, led to a major economic crisis.

4. When domestic food production recovered and another coffee boom occurred in 1976/1977, pressures on both external and fiscal accounts eased somewhat, and the Government seized the opportunity to launch its third five-year development plan, which included BIS. This strategy called for renewed emphasis on the import-substitution industry as the principal agent of transformation and self-reliance; however, the country's terms of trade deteriorated again as a result of the second oil shock. Despite an elaborate system of import licensing and foreign-exchange allocation, concessional financing was not sufficient to cover the trade gap and the country resorted to external borrowing on harder terms, resulting in a steep rise in debt-servicing obligations and in reserve drawdown and, later, increases in external arrears. In addition, warfare involving a neighbouring country caused the fiscal position to deteriorate further. This was followed by price inflation which remained at about 30 per cent per annum throughout the 1980s.

5. As for the changes introduced by ERP, its cornerstone was the adjustment of the real exchange rate, which has depreciated by over 80 per cent. Other important ERP features have included measures to establish a supportive macroeconomic framework of appropriate fiscal and monetary policies, to raise

incentives for agricultural production and to reform trade policies. These measures have effected marked changes in relative prices and in the structure of incentives, reversing the significant decline in the material standard of living experienced over the previous decade. In 1991, both income and consumption again increased faster than population, confirming the favourable trend achieved since the introduction of ERP in 1986. Inflation, however, remained at around 20 per cent per annum, somewhat higher than the 15 per cent objective, as the reduction in bank credit to the Government was more than offset by excessive lending to the cooperative and parastatal sectors.

6. Despite the remarkable improvements achieved so far, the post-1985 recovery is still tentative in a number of respects. The necessary environment of economic incentives, institutions and infrastructure is not yet entirely in place. Production still lags behind its potential, and per capita income, in dollar terms, is well below the level reached in the early 1980s. In addition, the national budget, investment and import capacity continue to depend on high levels of external assistance. Moreover, ERP has yet to have done much to improve the country's capacity for the delivery of social services. This is reflected in the fact that the 1992 Human Development Report still ranks the United Republic of Tanzania among the countries with the lowest level of human development (126 out of 160).

7. Because of rapid population growth and inappropriate use of natural resources, the country suffers from significant environmental degradation. Forest cover has been diminishing at an accelerating rate. This increase in environmental degradation is having a widespread impact on crop production and on the availability of water, both for humans and for livestock. There is some evidence that food-crop yields have declined in many areas despite increased investment in farming. This is due in part to soil degradation and loss of nutrients and to increasing dependence on marginal and fragile ecosystems for crop and livestock production.

B. National development objectives and strategies

8. The economic strategy underlying the country's three-year rolling plan ending in 1995/1996 is, as in the second half of the 1980s, still aimed at ensuring sustainable development through reform efforts which, while increasingly arduous, are effective within the framework of a functioning democracy. As indicated in the latest Policy Framework Paper, the macroeconomic objectives of the plan are to achieve economic growth averaging 5 per cent a year, to reduce inflation further, bringing it down to 12 per cent, starting from 1993/1994, especially through improved government savings and to restrain the current-account deficit in the balance of payments.

9. The Government expects to strengthen its reform effort and to accelerate the implementation of reforms in order to magnify the growth response from the economy. Recent growth has in fact reflected mainly one-time gains due to the increased availability of goods, mostly imported goods. Now that substantial liberalization has taken place in many sectors, imports can be expected to yield fewer social gains and less supply response. Even gains which have accumulated so far could be diluted unless public expenditure on transport and social

services is increased and unless greater efficiency is achieved in investment and macroeconomic balance.

II. EXTERNAL COOPERATION

A. Role of external cooperation

10. According to data collected for the preparation of the annual development cooperation reports, external development assistance (amounting to about $1 billion a year) has played a critical role in support of ERP and ESAP, accounting for more than one third of GDP and making the country one of the largest aid recipients in Sub-Saharan Africa. In 1990, 42 per cent of total aid went to investment-project financing; 25 per cent, to technical cooperation and 22 per cent to balance-of-payments support. Moreover, all of this aid was on highly favourable terms as 76 per cent of the total was in grants and the remainder in concessional loans.

11. In the recent past, donor assistance tended to favour industry (17 per cent of the total), transport (15 per cent), agriculture (12 per cent) and economic management (11 per cent) whereas human resources development and health received only 7 per cent each. Major donors included the World Bank group and other bodies in the United Nations system, the Nordic countries, Canada, Germany, the Netherlands, Italy and Japan, which together accounted for 70 per cent of all external cooperation in 1990.

12. Reflecting the sizeable technical cooperation support allocated to the United Republic of Tanzania, the number of resident experts and volunteers nearly came to 1,400 in 1990. In that year, the top five bilateral donors (Sweden, Denmark, Germany, Canada and the United Kingdom) provided 40 per cent of total external cooperation, while the United Nations system provided 24 per cent. UNDP disbursements in core resources accounted for 26 per cent of the United Nations total. In contrast to the figures on the sectoral distribution of total aid, the two top recipient sectors of technical cooperation were health (16 per cent of total) and human resources development (15 per cent).

13. According to International Monetary Fund (IMF) projections submitted to the most recent meeting of the Consultative Group, the country's external financing requirement amounted to $1,392,000,000 in 1992/1993, totalling $3,850,000,000 over the three-year period ending in 1994/1995. These projections appeared to be consistent with the conclusions of an earlier World Bank report in which it was recommended that the current-account deficit shall be kept to 29 per cent of GDP in 1995 and to 24 per cent by the year 2000. Most of the other donors also stressed the need for the country to reduce its dependence on external aid.

B. Coordination arrangements

14. Like most other LDCs, the country has benefited from the World Bank's Special Programme of Assistance (SPA) and has a consultative group (CG) arrangement as its coordinating mechanism. The three most recent meetings were held in Paris in December 1989, June 1991 and June 1992.

15. Within the country, the main consultative mechanism is the Joint Government Donors Meeting (JGDM) chaired by the Ministry of Finance. JGDM meets quarterly on general development cooperation issues with senior government and donor representation. Government-donor coordination also takes place on sectoral or programme issues, including financial matters, transport and HIV/AIDS-related areas and is planned for the education sector. A need is perceived for streamlining the Government's own coordinating machinery, in particular in the Planning Commission and the Ministry of Finance.

16. Finally, the OECD Development Assistance Committee (DAC) meets monthly, chaired alternately by UNDP and the World Bank with UNDP also performing secretariat functions. Government representatives are regularly invited to attend these meetings. Some 25 sectoral coordination groups have been established.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

17. The fourth country programme (1987-1992) was evaluated both at mid-term (January 1990) and towards its completion (July 1992). The cooperation provided was generally found to be in accordance with the development priorities of the Government and especially with the reorientation towards the social sectors introduced when ESAP was launched in 1989.

18. Given the comparative advantages enjoyed by UNDP as a non-conditional and politically neutral donor, its cooperation has been wide-ranging in the field of macroeconomic management and has extended to economic planning throughout the country at both the national and the local levels, support to social dimensions of adjustment, technical-cooperation-policy formulation (NATCAP), donor coordination civil-service reform and revenue administration.

19. During the period UNDP made significant contributions to other areas as well. In view of the pre-eminent role of the United Nations in the Women in Development (WID) programme, UNDP, in concert with UNIFEM, has played an advocacy role in addition to financing substantive projects in this area of activity. The same advocacy and supportive role was played in environmental affairs, especially with regard to preparations for the United Nations Conference on Environment and Development.

20. Social-sector support extended to the comprehensive review of the country's employment problem, the revision of employment policies and employment creation and to measures to combat the HIV/AIDS epidemic.

21. UNDP cooperation has been particularly noteworthy for the human-resources-development activities it embraces by, inter alia, insisting on counterpart personnel in UNDP-supported projects and by including training in practically all projects. Through training, studies and an ongoing dialogue with the Government and other interlocutors, UNDP has made an important contribution to capacity-building in the nation. Regarding Technical Cooperation among Developing Countries (TCDC), UNDP co-sponsored one of the first conferences in this field which was held in Arusha in 1989, and supported the TCDC focal point

in the Planning Commission in its role of promoting and implementing South-South cooperation.

22. Meeting the criterion of sustainability is a serious problem for government institutions in that their resources are severely restricted and they have trouble functioning effectively after TC is withdrawn. Extremely low civil-service salaries, minimal recurrent government budgets and lack of transport and office equipment contribute to this problem.

23. UNDP has also actively supported the strengthening of non-governmental organizations (NGOs). It has played an advocacy role in the development of the private sector, where expertise will be required for some time to come in strengthening and managing the larger and more complex institutions.

B. Proposals for UNDP cooperation

1. Preparatory process

24. Constant contact with the Government and its principal partners has been maintained while a series of sector consultations are conducted with a view to making a comprehensive assessment of the priority development needs of the country for purposes of the fifth country programme. This effort has been supported and supplemented by technical findings and advice provided by project-evaluation and programme-formulation teams of national and international experts engaged by UNDP. The findings of the mid-term review (January 1990) and the evaluation made in July 1992, towards the end of the fourth programme, have also been taken into account. Special attention has been focused on the opportunities that would accrue as a result of restructuring in both the economic and the political fields.

2. Strategy for UNDP cooperation

25. Supported by the NATCAP process, the Government and its partners will sustain and strengthen their dialogue on the consolidation of the gains made under the fourth programme and the identification of priority areas for the extension of international technical cooperation during the fifth programming cycle. As a result of this dialogue, resources allocated by UNDP will be channelled in a manner consonant with its comparative advantages and the size of the IPF allocation. Human development will be the overarching principle of the programme, which will focus on such themes as poverty alleviation and sustainable development.

26. UNDP cooperation is also being sought in connection with the definition and formulation of specific programme frameworks for other areas of concentration selected for it and with the design of the coordination mechanisms covering the different programmes to be supported, the mobilization of additional resources and the gaining of access to international sources of information and expertise. The continued use of national expertise in technical cooperation activities will be promoted.

27. The Government has asked UNDP to pursue a participatory approach in the provision of its development cooperation in order to involve all the partners, especially rural communities, NGOs and women's groups, thereby ensuring sustainable development. In this connection the greatest attention should be paid to the promotion of national ownership and national project execution. The Government also asked for continued small-scale capital assistance from UNCDF and other sources in order to increase the impact of technical cooperation programmes.

3. Proposed UNDP cooperation in selected areas of concentration

28. UNDP cooperation should be directed towards helping the Government achieve its priority development objectives. Given the pervasive poverty in the country, any programmes UNDP supports must, within the framework of the human development focus, be directed towards the alleviation of poverty and towards a rapid rise in the standard of living of the poorest Tanzanians.

29. The United Nations system, with its political and sectoral neutrality and rich experience, can provide significant advice and resources to strengthen the Government's efforts to promote the participation of the Tanzanian people in all sectors and at all levels in the implementation of programmes for poverty alleviation. Such participation will be considered from the point of view of both supply (human resources development) and demand (employment creation). Major threats to the successful development of human resources (HIV/AIDS) will also be addressed, as will the need to preserve the country's natural resources and environment while at the same time facilitating economic growth. Some of the functions so far fulfilled by the Government in this sphere should devolve upon the private sector, NGOs, communities and individuals. The promotion of such a participatory approach will require socio-economic reorientation at the top and the development of broad macroeconomic, cross-sectoral policy, which must be counterbalanced by effective mobilization at grass-roots and community levels (macroeconomic management). In keeping with the broad goals outlined above, therefore, UNDP will focus its resources primarily on the following five key areas in the country's socio-economic development strategy: improved macroeconomic management; human resources development; employment creation through private-sector development; preventing the spread of HIV/AIDS; environment and natural resources management. Indicators of successful progress in each of these areas will be detailed in the programme support documents, and an annual review will be held to see whether the indicators have been met.

30. UNDP will play an increasingly important role in the policy dialogue as it shares with the Republic the experience it has acquired all over the world, and encourages the application of technical advice from United Nations agencies. It will support the establishment of databases and information systems, encourage the use of appropriate TCDC modalities, promote the development of science and technology and support the role of women in development.

(a) Improved macroeconomic management

31. National development objective and programme. The Government has reiterated its willingness to continue to utilize contributions from both bilateral and multilateral sources to strengthen its capacity to formulate, shape and implement national socio-economic policy.

32. Additional structural policies are expected to focus on (a) the financial sector, with the twin objective of encouraging the establishment of new private institutions while restructuring the existing (mostly public) banking system; (b) public-sector management, which will be reformed in order to increase the efficiency of the civil service and reduce the size of the parastatal sector; (c) the continuation of exchange-rate and trade-reform programmes for the purpose of eliminating most quantitative restrictions on imports and unifying the exchange-rate system; (d) the continued reform of agricultural marketing, including the restructuring of the cooperative sector; (e) measures to ensure that an increased share of public expenditure is directed towards improved social services and protection of the environment.

33. A clear vision of the country's long-term development must also emerge before such tasks as poverty alleviation, redefinition of the role of government, promotion of regional integration and enhancement of donor coordination can be addressed.

34. Proposed UNDP cooperation. UNDP has been assisting the Government in key areas of restructuring, including social and economic planning, macroeconomic and financial management, aid coordination and civil-service reform. The development of an effective macroeconomic management system to guide and supervise the transition process, while optimum attention is paid to the promotion of human development strategies and to functional and regional decentralization, will require the fullest UNDP support.

35. UNDP is therefore being asked to continue to strengthen its cooperation in these areas, which includes support to the Planning Commission in introducing the new three-year Rolling Plan and Forward Budget, the National Long-Term Perspective Studies and regional planning in Kagera and Zanzibar and in the establishment of regional integration institutions. Cooperation under NATCAP will also continue, and WID issues should be integrated in the planning process. Particular importance will be attached to civil-service reform and improved collection of government revenue. Support will be given in an integrated fashion to the Planning Commission, the Ministry of Finance and the Bank of Tanzania in respect of measures for the further enhancement of donor coordination.

36. Complementary cooperation. The World Bank and IMF have been the main donors to the restructuring process and intend to make between $200 million and $300 million available annually in support of further reform. Bilateral donors, including the United Kingdom, Sweden and Canada, are active in civil service, financial and public-sector reform programmes. USAID intends to play a key role in private-sector development.

(b) Human resources development

37. National development objective. Human resources armed with appropriate skills and knowledge are essential to the success of the country's future development. The net primary enrolment ratio of around 50 per cent shows the need to improve access to education and to raise its quality, most especially at the primary level. The development objective is to generate critically needed skills for rapid and sustainable development while ensuring the success of capacity-building for self-reliance.

38. Proposed UNDP cooperation. Improving opportunities for the acquisition of applicable knowledge and skills and strengthening the national institutions which provide such opportunities are central to any effective human resources development strategy. The continuing existence of poverty in spite of the availability of ample natural resources points to the need for a significant quickening of socio-economic progress in the realm of education and training institutions and in the quality of their processes and products. Higher levels of knowledge and technical skills will be essential for employment creation, private-sector development and popular participation.

39. UNDP cooperation in this area will be used primarily to catalyse additional national efforts, particularly in the policy area. The expansion of educational opportunity for both sexes must also be accompanied by higher quality education and higher rates of return on investments in education.

40. The Government is seeking UNDP help in developing appropriate technical frameworks for education, taking into account the principle of "education for all". Efforts in this direction will not necessarily be limited to public education alone but will include consideration of the extension of partnerships with communities, NGOs and the private sector.

41. Indicators of success would include the design by the Government of a national human resources development programme/policy to ensure that the preparation of people for their chosen roles at work and in society is coordinated with their actual performances of those roles.

42. In addition to supporting the formation of technical skills, UNDP can be of help in the realm of management development in the civil service and other selected sectors since modern management techniques are essential in restructuring an economy.

43. Complementary cooperation. Considerable donor support exists in the human resources sectors and a donor group in which UNDP is participating is currently supporting the Government in the elaboration of a comprehensive programme for the education sector. This group includes the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Bank, the United Kingdom, Denmark and Sweden. The European Community (EC) also intends to increase its support of education and training in the country, and the United Nations Children's Fund (UNICEF) and the International Labour Organisation (ILO) have active programmes in both the formal and the informal sectors.

(c) Employment creation through private-sector development

44. National development objective. The development objective of this area is the alleviation of poverty through employment creation and income generation and the development of the private sector, particularly in the informal and small-business branches. UNDP cooperation will be required on both the supply side, for increasing opportunities for acquiring greater knowledge and skills and the demand side, especially in connection with strategies for increasing employment opportunities.

45. Proposed UNDP cooperation. UNDP cooperation will facilitate the creation of an enabling environment for private-sector development, which should contribute significantly to income generation and employment creation. Interventions will be made specifically in the realms of parastatal reform, management development in the banking sector, investment promotion, small-business development, entrepreneurship training and the formulation of an industrial and trade policy. Credit remains a major constraint for private-sector development, particularly where small-scale and micro-businesses are concerned. Furthermore, the human resource base has eroded over the past decade owing to the precipitous decline of the country's education and training systems. Help is therefore required in generating the technical skills and managerial know-how needed for self-employment and the development of private businesses. Attention will also be focused on the acquisition and development of appropriate technology from other developing countries.

46. Factors which indicate the economy's capacity for further growth and the need to accelerate the creation of sustainable, income-generating activities include the increase in private entrepreneurship in response to the increasingly market-oriented environment, the enormous demand for practical education and training, the existence of donor programmes which can promote the generation of local employment and the high diversification potential of the economy. Cooperation in this connection will be significantly expanded under the fifth programme.

47. The links between this area of concentration and the area relating to human resource development are important, and will be strengthened as much as possible. Improvements in the education and training system should result in higher levels of skill in the work force. UNDP cooperation should therefore be reflected in a larger number of Tanzanians, including youth and women, performing productive activities which bring higher levels of income; in more private businesses and in higher investments producing greater profits.

48. Complementary cooperation. In general, there is strong donor interest in private-sector development. UNDP and ILO are now working together in skills formation, access to credit for women and small-enterprises development. The United Nations Development Organization (UNIDO) is also implementing projects which contribute to training and to income generation. UNDP will work with the World Bank towards the creation of an enabling environment, and USAID is formulating a $40 million programme in private-sector development. In addition, UNDP is collaborating with USAID within the framework of a large and active donor group concerned with informal and small business development.

(d) Preventing the spread of HIV/AIDS

49. National development objective. The objective is to build national capacity for responding to the HIV/AIDS epidemic through increased awareness and strengthened programme interventions.

50. Proposed UNDP cooperation. Since 1983, when the first clinical cases of AIDS were reported, the situation has worsened. Now firmly established in both rural and urban areas, this disease is no longer viewed only as a medical problem but also as a challenge to national development. The Government has emphatically requested UNDP support for the national effort in this connection. In response, UNDP and other donors are working together to establish the National AIDS-Control Programme with the overall strategy of preventing new infection and providing care and support for those already infected with HIV/AIDS.

51. The Strategic Medium-Term Plan II for the control of HIV and AIDS contains two broad areas of focus: preventing the transmission of HIV through selected combinations of strategies, interventions and activities and addressing the personal and social impact of HIV infection and AIDS through the implementation of another set of programmes.

52. The Government is asking UNDP to strengthen national capacity to implement this multisectoral medium-term plan in three broad areas, including the organization of public information programmes fostering behavioural and attitudinal change, the care and support of people personally affected by the epidemic and the maintenance of productivity in affected areas. The tasks involved call for long-term, multisectoral planning and subregional cooperation. UNDP is expanding a planning project in the Kagera region to include an HIV/AIDS dimension. The lessons to be drawn from this project are relevant both for other parts of the United Republic of Tanzania and for other countries. Community responses to the epidemic will also be supported.

53. Indicators of success would include involvement of NGOs and communities in the HIV/AIDS programme, increased effectiveness of Government and NGO machinery, changed sexual behaviour, and slow-down in HIV infection rate. Care of orphans will be improved.

54. Complementary cooperation. UNDP supported the organization of a major donors' conference in 1992 and, together with the Global Programme on AIDS of the World Health Organization (WHO/GPA), is providing assistance to the Tanzanian programme, in the amount of several million dollars a year. UNICEF is also actively supporting the HIV/AIDS effort, particularly where women and children are concerned. The United Nations Population Fund is addressing the issue of youth and AIDS prevention through its family-life-education programme.

55. The World Food Programme (WFP) is providing large-scale support in the Kagera region to alleviate the situation of children orphaned by AIDS. UNDP will cooperate with Sweden, USAID and the World Bank in strengthening the National AIDS-Control Programme.

(e) Environment and natural resources management

56. National development objective. A major priority for the country programme will be to ensure that efforts to promote human development are not harmful to the country's natural resources and environment. The development objective of the area under consideration is an increase in the capacity for natural resources management and policy development as reflected in increased availability of clean water, an improved urban environment where greater attention is paid to the negative impacts of unplanned urban settlements and a reduction in the hazards of recurrent floods and encroaching desertification.

57. Proposed UNDP cooperation. Linkages have been shown to exist between environmental degradation, rapid population growth and low agricultural productivity. The Government requests UNDP support for the environmental overview recently prepared by the World Bank and for backing for NGOs and the local communities in implementing Agenda 21. Technical assistance will be expanded by UNDP through access to the Global Environment Facility (GEF) and to its own Capacity 21. Two GEF project proposals, one relating to urban waste management and the other to the Ngorongoro conservation area, are currently under consideration. UNDP supported the Government's participation in the United Nations Conference on Environment and Development (UNCED) and is continuing its assistance to national follow-up programmes.

58. UNDP interventions will continue to cover urban management, irrigation and agricultural production, livestock development and water resources management in addition to direct environmental issues. They will also be used to address regional environmental challenges, such as joint management of river and lake basins and wildlife conservation schemes. Two regional biodiversity projects, one covering Uganda, Kenya and Tanzania and the other relating to Lake Tanganyika, have been accepted for GEF funding. The Government has also requested UNDP to support its efforts to control the damage observable in Lake Victoria.

59. Given the importance of women in agricultural production and other environment-related activities, particular attention should be devoted to them in this area of concentration. Grass-roots participation through environmental education and community involvement is also critical to the success of an environmental policy.

60. Major indicators of success in these important areas would be the establishment of a national environmental policy; the implementation of the national population policy; greater consciousness of the environment by the population, particularly its crop-farming and livestock-grazing segments; greater awareness of and commitment to the solution of WID and environment issues and the creation of an improved urban environment, including in the area of urban waste management.

61. Complementary cooperation. UNDP cooperation will be complemented by the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Centre for Human Settlements (Habitat) (UNCHS) and the United Nations Volunteers (UNV). The United Nations Sudano-Sahelian Office (UNSO) is expected to continue its assistance in building environment-management capacity, including the

establishment of an environmental database. The World Bank has recently demonstrated its interest in supporting environmental management in the United Republic of Tanzania, as Sweden is providing help in connection with the elaboration of a national conservation policy; Finland is particularly active in the forestry subsector, and UNICEF, Sweden, Denmark and the Netherlands are major donors in the area of water and sanitation. Under the Government's overall coordination, UNDP is acting as a facilitator of donor efforts in the field of environment.

C. Assistance outside the main areas of concentration of the country programme

62. The unprogrammed reserve amount of $25 million will be held to ensure flexibility in the programme, that is to say in order to allow it to respond to any changes which may be required to cover contingencies or to reflect emerging trends in the country's economic and political development. Ongoing projects related to the areas of concentration will, whenever possible, be integrated into the various technical cooperation programmes. Projects not related to the new areas of concentration will be completed as planned. A few projects no longer considered relevant by the Government and UNDP will be discontinued.

D. Implementation and management arrangements

63. The Government recognizes the need to search for greater coherence in addressing the development issues and challenges of the 1990s. This involves greater coordination of all cooperation rendered by the United Nations system, with more emphasis given to integrated programmes, rather than the adoption of a project-by-project approach. The need to harmonize the programming process of the various United Nations bodies at country level and to continue to strengthen the resident coordinator system is emphasized by the Government. Greater recourse to decentralization to the field and the strengthening of the capacity of the United Nations system at country level are being called for. It will also be necessary to delegate more authority and to seek to make the best possible use of national human capacity while at the same time taking measures to improve national execution.

64. The approaches to operational activities outlined above will characterize the fifth country programme. A unified country strategy developed by the United Nations funds, programmes and agencies under the leadership of the resident coordinator will be put into effect. The Government will continue to seek the harmonization of the programming cycles of United Nations bodies with those of its own planning and budget cycles.

65. The Government is committed to national execution as the main implementation modality for its cooperation with the United Nations system, in full conformity with Governing Council decision 90/21 and General Assembly resolution 47/199. It recognizes, however, that support from UNDP and other bodies in the United Nations family will be needed to strengthen national capacity at all levels.

66. Implementation of the programme approach during the fifth programme should ensure coherence and coordination of development activities and the establishment of consistent national programme frameworks for donor cooperation. It should assist the Government in identifying all its external cooperation needs, including its technical assistance requirements and should promote maximum use of national expertise and fortify national human capacity-building and institutional strengthening. Finally, it should facilitate the identification of elements amenable to TCDC.

67. For each of the proposed areas of concentration in the programme coordination mechanism would be established in the form of a committee on which the government units and beneficiary communities involved and possibly the major donors and participating NGOs would be represented. This mechanism would provide policy guidance and monitor the implementation of the programme. A programme manager would be assigned to the lead government unit to coordinate liaison with UNDP and other partners, as appropriate, and to expedite and oversee implementation. Programme managers will pay particular attention to enhancing national execution-capacity in the government unit to which they are assigned and call for technical support as required. They will also be responsible for financial reporting, under the supervision of the coordinating committees, which will consult each other and work together when appropriate, sharing information and experience in the management of the programmes for the various areas of concentration.

68. Mechanisms are already in place for quarterly consultations and review between government representatives in the sectors involved and the donors. Where appropriate, these will be reinforced to ensure that the programmes are on track and external cooperation is producing the desired effects. To build self-sustaining national capacity, all responsibility for execution will rest on national structures, including the Government, participating NGOs and the beneficiary communities.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	$	$
Carry-over from fourth cycle IPF	(2 301 000)	
Fifth cycle IPF	99 811 000	
Estimated expenditures in 1992	(17 363 000)	
Subtotal IPF		80 147 000
Project cost-sharing (Government)	-	
Project cost-sharing (third party)	1 000	
Programme cost-sharing	-	
Subtotal cost-sharing		1 000 000
TOTAL		81 147 000

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Improved Macroeconomic Management	7 000 000	-	7 000 000	8.6
Human Resources Development	6 000 000	-	6 000 000	7.4
Employment Creation through Private-Sector Development	20 194 000	500 000	20 694 000	25.5
Strengthening of National Capacity to respond to the HIV/AIDS epidemic	10 000 000	-	10 000 000	12.3
Environment and Natural Resources Management	12 000 000	500 000	12 500 000	15.4
Subtotal	55 194 000	1 000 000	56 194 000	69.2
Unprogrammed reserve	24 953 000	-	24 953 000	30.8
TOTAL	81 147 000	1 000 000	81 147 000	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

		$	$
A.	UNDP-administered funds		
	SPR	500 000	
	UNCDF	15 052 000	
	UNSO	472 000	
	UNIFEM	3 443 000	
	UNRFNRE	1 670 000	
	UNFSTD	200 000	
	Subtotal		21 337 000
B.	Other United Nations resources		
	JCGP participating agencies		
	UNFPA	16 000 000	
	UNICEF	70 000 000	
	WFP	25 000 000	
	IFAD	30 000 000	
	Other United Nations agencies (non-UNDP financed)	42 000 000	
	Global Environment Facility	3 999 000	
	Subtotal		186 999 000
	Total non-core and other United Nations resources		208 336 000
C.	Non-United Nations resources		5 000 000
	TOTAL		213 336 000